

JUSTIFICATION AND APPROVAL
FOR OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations (OAO)
Technology Acquisition Center (TAC)
260 Industrial Way West
Eatontown, New Jersey 07724
2. Description of Action: The proposed action is for a firm-fixed-price contract consisting of an 18-month base period and two six-month option periods for hoteling seats and services for the TAC, the Office of Information and Technology (OIT), and the Office of General Counsel (OGC).
3. Description of Supplies or Services: The TAC, OIT, and OGC have an immediate need for office work space in the Eatontown, New Jersey (NJ) area in order to continue to effectively and efficiently support their respective missions for Veterans without any disruption of work.

The TAC was established in Eatontown, NJ in March of 2009 to provide acquisition support to OIT and other VA agencies. Upon its establishment, the TAC began occupying temporary office space within the MITRE building located in Eatontown, NJ. This was intended to be a temporary, stop-gap solution to be used until the TAC could obtain permanent leased space through the General Services Administration (GSA). In addition, OIT and OGC also began co-locating some of their employees in the same temporary space in order to support the TAC. Note: from this point forward, the acronym "TAC" will apply to those three organizations (TAC, OIT, and OGC) unless otherwise noted.

As the TAC continued to grow, more work space was needed to accommodate the influx of new employees, however, there was not enough additional space available in the MITRE building to meet this increased need. As a result, the TAC worked with the VA Central Contracting Office (VACO) to award a task order for "hoteling" type office space services under its multiple award, indefinite delivery, indefinite quantity (IDIQ) contract. This task order was awarded in February 2011 to Metro Offices (Metro) to provide hoteling seats and services at its nearby 3 Christopher Way (3CW) location in Eatontown, NJ. The period of performance of that task order runs through March 21, 2013. The VACO IDIQ contract has since expired. No new task orders can be issued under that contractual vehicle.

Since its establishment, the TAC has been working to obtain leased office space through GSA in the central Monmouth County, NJ area that would house the entire TAC organization in one location. MITRE and the hoteling task order with Metro were both originally timed to end around the original estimated time the GSA building would be ready for occupancy. In addition, option periods were available to extend the periods of performance, if necessary. However, a series of delays associated with the GSA effort have continually pushed out the

occupancy timeframe of the GSA leased space and, as a result of these delays, there are no further contract options available to provide for the TAC's continued need for hoteling seats and services. In addition,

the TAC would need to vacate the MITRE building As noted above, the hoteling task order awarded to Metro will end on March 21, 2013.

As a result, there is an immediate need to continue the hoteling services being provided by Metro at its 3CW location so that the Metro space is not lost while the TAC waits for the GSA lease to be awarded and the GSA building is made ready for occupancy. In addition, there is an immediate need for work space to replace the MITRE work space

A total of 308 hoteling seats are needed to accommodate current TAC employees and an additional 40 optional seats are planned to accommodate future growth of the TAC. The TAC also requires various conference rooms, a training room, storage rooms, source selection rooms, a computer technical support room, printer areas, and other similar rooms/areas necessary for the effective and efficient function of an acquisition based organization and its customers and support staff. Based upon the number of seats and other rooms required by the TAC, it is estimated that a total of approximately 54,000 square feet of space is needed to satisfy all the TAC requirements.

The total estimated value of the proposed action is

4. Statutory Authority: The statutory authority permitting other than full and open competition is 41 U.S.C.3304(a)(1) as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."

5. Rationale Supporting Use of Authority Cited Above: The proposed source is Metro Offices, 11710 Plaza America Drive, Reston, Virginia 20190. Metro currently provides hoteling seats and services to the TAC at its 3CW location under a task order awarded via the aforementioned VACO IDIQ contract.

Based upon the market research described below, there are no other firms in the area that have adequate numbers of hoteling seats or space available to accommodate the TAC's requirements in the time frame needed. Continuing to use Metro's existing hoteling seats and space will minimize the schedule risks associated with a new contractor seeking out the appropriate amount of space, negotiating its own lease for the space, and then designing, building out, and setting up the space to accommodate the TAC's requirements. Any negative impact to the required schedule will leave the TAC without adequate work space to accomplish its mission and, as a result, the TAC's support to Veterans would be adversely affected. Metro has already accomplished the design, build out, and setup requirements for the hoteling seats and services under its current task order and the TAC would just continue to use Metro's 3CW hoteling space without having to move the personnel housed there.

In addition to the schedule risks, there will also be a duplication of costs if another company were to perform this effort. Based upon the market research described below, there are no other firms in the area that have adequate numbers of hoteling seats or space available to accommodate the TAC's requirements in the time frame needed. As previously mentioned, any company desiring to compete in this effort would have to seek out the appropriate amount of space, negotiate its own lease for the space, and then design, build out, and set up the space to accommodate the TAC's requirements. The costs of doing this would be passed on to the TAC in the form of higher per seat pricing. With Metro, its original design, build out, and set up costs have already been amortized over the current task order pricing and, as a result, it is anticipated that the negotiated per seat pricing of this effort will reflect those savings. Also, as the incumbent contractor, Metro is intimately familiar with TAC requirements and the TAC will realize additional cost savings because, by utilizing Metro's hoteling space, there will be no need to move the personnel currently located at its 3CW facility.

Metro is the only source that has the capability and sufficient space available to accommodate the additional hoteling seats and services required by the TAC because of the TAC's loss of the temporary MITRE space in the time required. In addition, the entirety of Metro's available space is contiguously located. Metro can satisfy the TAC's requirements by utilizing space in two buildings that are located next to each other. This close proximity enhances the effectiveness and efficiency of the TAC's operation, its mission, and its support to customers and ultimately to the Veterans.

Metro's hoteling space is located within the central Monmouth County, NJ area, an area that was, in essence, designated in the original Executive Decision Memorandum (EDM) that was approved to create the TAC. In January of 2009, the Secretary of VA approved an EDM creating the TAC in the "Fort Monmouth, NJ, area". Based upon the approved EDM, the TAC was established in Eatontown, NJ, which is within central Monmouth County, NJ. It was also based upon that approved EDM, in part, that the TAC sought the temporary space in Eatontown NJ. As a result, the TAC was able to team with MITRE to temporarily locate within its building there. Subsequently, the award of the Metro task order was made, in part, due to the close proximity of Metro's space to the MITRE building.

In addition, Metro's hoteling space is located in close proximity to one of the TAC's main customers, OIT. In August of 2010, OIT awarded a lease for office space in Eatontown, NJ so it could be near to the TAC's offices in Eatontown. OIT is one of the TAC's main customers and support to OIT is one of the main reasons the TAC was established. OIT's leased space is within ¼ mile of Metro's hoteling space so by utilizing Metro's space, VA can continue to keep the TAC co-located to this OIT leased office. By doing so, the efficiencies inherent to customer/client co-location will continue to be realized. In addition, a portion of OIT is also located in Metro's hoteling space. Continuing to utilize Metro's space will also keep the two OIT offices in close proximity to one another.

The only other means of satisfying the TAC requirements are through standard Government leasing procedures, which as required by statute, must be accomplished through GSA. Since its establishment, the TAC has been working to obtain a more permanent, centralized GSA leased office space in the central Monmouth County, NJ area. However, the availability of the new GSA leased space has continuously been delayed by GSA and will not be ready for occupancy when the TAC's current temporary space agreement and hoteling task order expire. Continuing the hoteling space and services currently being provided by Metro and utilizing Metro's additional available space will ensure that the TAC has the required work space needed to meet its mission and provide support to its customers and Veterans.

Based upon the above and the market research as described below, Metro is the only known company that can satisfy the TAC's requirements. Metro currently has the required amount of space and services available and can provide it within the required timeframe and in contiguous locations.

This effort will be synopsised on the Federal Business Opportunities website (FBO) in accordance with FAR 6.302-1(d)(2) and any proposals, quotations, or capability statements received from other sources will be considered.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional sources that can meet the Government's requirements. There is no competition anticipated for this acquisition. Additionally, the proposed action will be synopsised on the Federal Business Opportunities Page in accordance with FAR 5.201. Any proposals that are received shall be evaluated.

7. Actions to Increase Competition: It is anticipated that the hoteling seats and services will not be required beyond the resultant contract's period of performance. This is primarily due to the forecast that GSA's competitive lease award and the TAC's subsequent occupancy of the GSA building should occur approximately at the end of the resultant contract's period of performance. However, in the event there are further GSA delays, the Government will conduct additional market research at that time to ascertain if there are changes in the market place that would enable future actions to be competed. If there are no further GSA delays and occupancy of the GSA leased space occurs prior to the availability of any option period under these requested efforts, VA will not exercise those options.

8. Market Research: Market research was conducted in the December 2012 timeframe by performing an internet search using terms such as "Business Center Office Space in the Monmouth County, New Jersey" and "Furnished Office Space in Monmouth County, NJ". Based upon those searches, the following companies were identified as providing office space in a hoteling type manner within the Monmouth County area. The results of the market research of each source is detailed below:

- Regus, 125 Half Mile Rd, Red Bank, NJ. Regus's website did not provide information on available space and, as a result, was contacted by VA on 12/11/2012. Based upon that call, Regus's Area Sales Manager forwarded an availability seating plan and a Service Guide. The availability seating plan provided by Regus showed that, at most, 30 seats would be available by the February timeframe. According to the Sales Manager, Regus only forecasts availability out to 90 days due to its experience in the fluctuation of needs for its office space. Based upon the information provided, Regus cannot accommodate the amount of hoteling seats needed by the TAC nor does it have the number of conference rooms and other rooms/areas required for the TAC to operate in an effective and efficient manner. In addition, Regus was asked how many seats would be available if all the offices in its building were unoccupied. Regus responded that it would have approximately 120 seats, which is significantly below what is required for the TAC.
- Main Office Executive Suites, 12 Christopher Way, Eatontown, NJ. After a review of Main Office Executive Suites website, which shows a floor plan of its office layout, the capacity was determined to be insufficient and there would not be enough seats to accommodate the TAC's requirement. In addition, the layout only shows two conference rooms which, based upon past TAC experience, is not enough to accommodate TAC needs.
- Tindall Executive Office Suites (Tindall), 107 Tindall Rd, Middletown, NJ. Tindall's website shows a floor plan of its office layout. Tindall's layout only shows a total of 15 offices which would not provide enough seats to accommodate the TAC's needs. In addition, there was only one conference room at Tindall's location.
- Intelligent Office (Intelligent) of Red Bank, 331 Newman Springs Rd, Red Bank, NJ. Intelligent's website did not provide information on available space or an office layout to show how many offices might be available. As a result, Intelligent was contacted by VA on 12/20/2012 to inquire as to the number of offices and their availability. The representative indicated that Intelligent only had 5 offices currently available. When queried about the number of offices that could be available if all of its offices were vacant, the representative responded that it has about 22 offices total, however most of the offices are currently occupied. If each office could accommodate two desks/people, there would not be enough seats to accommodate the TAC's needs.
- Atlantic Office Suites LLC (Atlantic), 1913 Atlantic Ave, Wall, NJ. Atlantic's website indicated that it has approximately 16,000 square feet of office space available in its Wall, NJ office and approximately 4,500 square feet available in its Freehold, NJ office. Atlantic's website did not indicate the number of offices included in those square footage numbers, but based upon TAC's work space needs and the corresponding estimated square footage as shown above, and the requirement that the space be located near current VA offices, Atlantic's

available space at either location cannot meet the TAC's requirements even if combined.

The TAC also performed a search of VA's VetBiz website for New Jersey using the applicable North American Industry Classification System (NAICS) code of 531120, Lessors of nonresidential buildings (except miniwarehouses), and a description of "hoteling services", "hoteling seats", and "business center". No matches were found as a result of the search.

In addition, the TAC queried Metro as to whether it could extend its current task order to meet the TAC's needs at the 3CW location and whether it could provide the additional hoteling seats needed to offset the seats being lost at the MITRE building. Metro confirmed that there are no barriers to extending its current task order for the current number of seats and services provided at the 3CW location. Also, Metro provided a seating plan that delineates how it can meet the TAC's requirements for the additional services/seats.

Based upon the market research, Metro is the only known company that can satisfy the TAC's requirements. Metro currently has the required amount of space and services available and can provide it within the required timeframe in contiguous locations.

9. Other Facts: The Performance Work Statement is suitable for competition, however, based upon the market research, there are no firms in the central Monmouth County area that can provide the number of hoteling seats and the type of hoteling services required.

Due to circumstances beyond the TAC's control, obtaining GSA leased space has continuously been delayed and, as a result, the GSA space will not be ready for occupancy when the TAC's current temporary space agreement and hoteling task order expire. If these hoteling seats and services are not acquired from Metro in the time required the TAC will not have office space to perform its mission, and as a result, TAC support to its customers and more importantly, the Veteran, will suffer.

10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

John M. Adamitis

Date: 1/16/2013

Supervisory Contract Specialist

Signature: John M. Adamitis

11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on cost and price analysis and negotiations with Metro.

John M. Adamitis

Date: 1/16/2013

Procuring Contracting Officer

Signature: John M. Adamitis

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief. As this contract action does not exceed \$650,000, the certification below required by FAR 6.303-2(b)(12) serves as approval.

John M. Adamitis

Date: 1/16/2013

Procuring Contracting Officer

Signature: John M. Adamitis

13. Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support other than full and open competition and deem it legally sufficient.

John J. Reynolds

Date: 1/17/2013

Legal Counsel

Signature: John J. Reynolds

Approval

In my role as Contracting Activity Competition Advocate, based on the foregoing justification, I hereby approve the acquisition of hoteling seats and services for the TAC, OIT, and OGC, on an other than full and open competition basis pursuant to the statutory authority cited in paragraph 4 above, subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date: 1/18/13

Signature:

Wendy J. McCutcheon
Iris B. Cooper
Head of the Contracting Activity